

Joint Administrators' progress report from 9 December 2023 to 8 June 2024

Eldon Street Holdings Limited
(in administration)

High Court of Justice, Chancery Division, Companies Court
Case no. 11056 of 2008

4 July 2024



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This report has been prepared by GE Bruce, DJ Kelly and EJ Macnamara as Joint Administrators of the Company, solely to comply with the Joint Administrators' statutory duty to report to creditors under IR16 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Joint Administrators' previous reports issued to the Company's creditors, which can be found at:

<https://www.pwc.co.uk/services/business-restructuring/administrations/non-lbie-companies/esh-ltd-in-administration.html>.

Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

GE Bruce, DJ Kelly and EJ Macnamara have been appointed as Joint Administrators of the Company to manage its affairs, business and property as its agents and act without personal liability. All are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

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Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report:

Abbreviation or definition	Meaning
Company / ESH	Eldon Street Holdings Limited - in administration
Administrators	Gillian Elendor Bruce, David James Kelly and Edward John Macnamara of PricewaterhouseCoopers LLP
Reporting Period	9 December 2023 to 8 June 2024
Firm / PwC	PricewaterhouseCoopers LLP
Fidenza	Eldon Street (Fidenza) Limited
IR16	Insolvency (England and Wales) Rules 2016
IA86	Insolvency Act 1986
HMRC	HM Revenue and Customs
LBIE	Lehman Brothers International (Europe) - in administration
LBH	Lehman Brothers Holdings plc - in administration
LBHI	Lehman Brothers Holdings Inc
Sch. B1 IA86	Schedule B1 to the Insolvency Act 1986
SIP9	Statement of Insolvency Practice 9
Statutory Interest	Interest calculated in accordance with IR16 on the amount of admitted claims in respect of the periods during which such claims were outstanding since the date of commencement of the Administration to the date of full repayment, calculated as the greater of the rate payable in accordance with s.17 of the Judgments Act 1838 (currently 8% simple), and the rate applicable to the debt apart from the Administration

Section 1: Introduction

Introduction

This is the thirty-first progress report prepared by the Administrators of the Company.

This report provides an update on the work the Administrators have undertaken, with a particular focus on progress made in the Reporting Period. Earlier reports can be viewed on the Administrators' website at:

<https://www.pwc.co.uk/services/business-restructuring/administrations/non-lbie-companies/esh-ltd-in-administration.html>.

Objective of the Administration

The Administrators are pursuing the objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration), and continue to manage the Administration in accordance with the proposals approved by creditors. The Administrators continue to review the objective of the Administration on a regular basis.

The specific aims of this administration are to:

- protect and control the Company's assets;
- maximise value for the Company's creditors from its real estate interests, intercompany debtors and shareholdings in its subsidiaries; and
- distribute to creditors as and when appropriate.

Outcome for creditors

Creditors may recall that on 24 June 2013, the High Court granted the Administrators permission to make distributions to the Company's unsecured creditors.

In total, cash distributions of £215,123,371 and US\$4,163,345 have been paid to date, equating to cumulative dividends totalling 49.0369 pence in the pound. This includes the 12th interim dividend of £3,952,496 being 0.9189 pence in the pound which was declared and paid on 8 March 2024.

Subsequent distributions are contingent upon the outcome of the issues detailed in Section 2.

Why we remain in office

The Administrators remain in office to deal with the following tasks:

- Realise all remaining assets;
- Manage investments in ESH's subsidiaries to maximise returns to creditors;
- Make further distributions to unsecured creditors;
- Ensure compliance with tax and VAT matters;
- Ensure compliance with statutory tasks; and
- Bring the administration to an orderly conclusion.

Further details are contained within the body of this report.

What you need to do

This report is for your information and you don't need to do anything.

This report and future updates

The Administrators' next formal progress report to creditors will be in approximately six months' time, and will be posted to the website. If you have any questions, please contact the Administrators at uk_lehmanaffiliates@pwc.com.

Signed



Gillian Bruce

Joint Administrator

Eldon Street Holdings Limited - in administration

Section 2: Administrators' actions to date

Background

Eldon Street Holdings Limited is a subsidiary of Lehman Brothers (PTG) Limited - in administration. The Company was initially formed to hold investments in other real estate companies within the Lehman Brothers group in addition to holding a small portfolio of equity and debt interests in real estate assets in its own right.

Apart from these real estate interests the main assets and liabilities for ESH are intercompany debtors and creditors.

Through the course of the administration ESH has received GBP £18,400,538, EUR €4,600,188 and SEK 31,274,323 in distributions from subsidiaries and realised GBP £48,775,914 and USD \$226,749,109 from intercompany debtors. To date ESH has distributed GBP £215,123,371 and USD \$4,163,345 to creditors.

Key progress made in the Reporting Period includes:

- Receipt of further distributions from Eldon Street (Fidenza) Limited; and
- Payment of the 12th distribution to unsecured creditors.

Further detail on these matters is provided below.

Progress made in the Reporting Period

Asset realisations

Lehman Brothers Holdings Plc (in administration) ("LBH")

The Company has an admitted claim against LBH of £31,358,468, which has been paid in full. In addition, the Company has an entitlement to post-administration, statutory interest on that claim.

At the time of our previous report, £14,100,482 of post-administration statutory interest had been paid, leaving a remaining entitlement of £8,981,160. We have previously explained that LBH had contacted the Company to advise of an issue which may affect the calculation of the Company's remaining entitlement to post-administration statutory interest. This issue is referred to in LBH's most recent progress reports as "Partial Discharge" where, in light of the Court of Appeal's decision in the 2021 Priority Litigation, a challenge has been raised by LBH's creditors as to the appropriate method of calculating statutory interest, given the Company's receipt of guarantee payments from LBH. We are in communication with LBH to identify a way forward in respect of the Partial Discharge issue in the hope that a court application with its attendant costs can be avoided.

LBH had previously advised that, pending a resolution of the Partial Discharge issue, it has reserved £8,981,160 being the difference between the current total statutory interest payments and the maximum statutory interest due.

For the reasons described above, the timing of further, if any, recoveries from LBH remains uncertain. However, on the basis of the update published on the LBH website during May 2024, we anticipate that a further payment in respect of statutory interest will be received from LBH but the quantum of any such payment is presently uncertain.

The LBH update can be found at:

<https://www.pwc.co.uk/services/business-restructuring/administrations/non-lbie-companies/lbh-plc-in-administration.html>

Subsidiary investments

The Administrators' continue to seek to identify opportunities and options to simplify the underlying assets of Eldon Street's remaining solvent subsidiary, Fidenza.

Fidenza is a party to two joint venture arrangements, one of which holds development land in the UK and the other an investment in an Italian shopping complex. To date, realisations have been made in respect of these joint venture arrangements which have resulted in the Company receiving £1,893,639 as shareholder on behalf of Fidenza. The Administrators are confident that Fidenza will in due course make additional recoveries from these investments and further distributions to ESH, but the timing and quantum is currently uncertain.

In the Reporting Period Fidenza paid a distribution to ESH £500,000 from the funds received.

ESH continues to hold funds on behalf of Fidenza, which does not hold a bank account of its own. These funds have been disclosed in the receipts and payments account as 'Funds held on trust'.

Distributions to creditors

Total cash distributions of £215,123,371 and US\$4,163,345 have been paid to creditors to date, equating to cumulative dividends totalling 49.0369 pence in the pound. This includes a distribution of £3,952,496 or 0.9189 p/£ which was declared and paid on 8 March 2024.

In view of the matters described above, there is continuing uncertainty as regards the timing and quantum of subsequent, further distributions.

Tax planning and compliance

All corporation tax returns up to and including the year ended 5 November 2022 were submitted to HMRC in the prior reporting period. The Administrators have continued to meet their obligations under the Senior Accounting Officer legislation.

Statutory and compliance

During the Reporting Period we have:

- Prepared and issued our 30th progress report (dated 27 December 2023); and
- Fulfilled statutory obligations of the Administrators.

Investigations and actions

Nothing has come to the Administrators' attention during the Reporting Period to suggest that they need to do any more work in line with their duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

Administrators' receipts and payments account

The Administrators set out in Appendix A an account of their receipts and payments in the administration for the six months to 8 June 2024, together with a cumulative total since the beginning of the administration.

The receipts and payments account show the overview of cash movements.

Key movements include:

- Receipt of £500k receipt into ESH from Fidenza;
- Receipt of £315k in bank interest;
- Payment of £3.9m as a distribution to unsecured creditors; and
- Payment of £218k in relation to Administrators remuneration.

Additionally the funds held on trust for Eldon Street Fidenza increased in the period by £1.3m.

Administrators' expenses

A statement of the expenses incurred to the date covered by this report and an estimate of future expenses is set out at Appendix B.

Administrators' fees

An update on the Administrators' remuneration - which covers the Administrators' fees, disbursements and other related matters in this case - is set out at Appendix C.

Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report, as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 18.34. This information can also be found in the guide to fees at:

<https://www.icaew.com/-/media/corporate/files/regulations/insolvency/creditors-guides/2021/administration-creditor-fee-guide-1-april-2021.ashx>

Creditors may also wish to refer to the previous creditors' guidance to understand the applicable regulations for appointments prior to 5 April 2010:

<https://www.icaew.com/-/media/corporate/files/regulations/insolvency/creditors-guides/2007/a-creditors-guide-to-administrators-fees-1-apr-2007.ashx>

Creditors can also get copies of these guides free of charge by telephoning Adrienne Rorden on 0113 289 4000 or by emailing uk_lehmanaffiliates@pwc.com.

Appendix A: Receipts and payments

		GBP Movements			USD Movements		
	Note	8 Jun 2024	in Period	8 Dec 2023	8 Jun 2024	in Period	8 Dec 2023
Receipts							
Corporation Tax refund		2,210,311	-	2,210,311	-	-	-
Contribution to the Pension Club Deal		11,800,000	-	11,800,000	-	-	-
Distributions from subsidiaries	1	18,400,538	500,000	17,900,538	-	-	-
Intercompany debtors		48,755,914	-	48,755,914	226,749,109	-	226,749,109
Bank interest		1,725,410	314,973	1,410,437	16,707	-	16,707
Recovery of intercompany loan		280,000	-	280,000	-	-	-
Sale of tax losses		2,993,822	-	2,993,822	-	-	-
Net tax function costs recharged		414,124	-	414,124	-	-	-
Sale of creditor claims		1,100,000	-	1,100,000	22,619,960	-	22,619,960
Funds held on trust	2	1,863,229	1,307,922	555,307	-	-	-
Total receipts		89,543,347	2,122,894	87,420,453	249,385,776	-	249,385,776
Payments							
Distributions to unsecured creditors		215,123,371	3,952,496	211,170,875	4,163,345	-	4,163,345
Joint Administrators' remuneration	3	5,444,426	218,400	5,226,026	-	-	-
Joint Administrators' Category 1 disbursements		3,024	-	3,024	-	-	-
Joint Administrators' Category 2 disbursements		739	-	739	-	-	-
Legal, professional and consultancy fees		2,328,683	-	2,328,683	-	-	-
Legal Settlement		-	-	-	8,000,000	-	8,000,000
Employee wages and associated costs	4	1,878,014	55,748	1,822,266	-	-	-
Insurance		381,127	-	381,127	-	-	-
Statutory costs		117,425	99	117,326	-	-	-
Contribution to Pension Club Deal		11,800,000	-	11,800,000	-	-	-
Payments on behalf of subsidiaries	5	973,962	-	973,962	-	-	-
Purchase of tax losses		419,905	-	419,905	-	-	-
Corporation tax		941,360	-	941,360	-	-	-
Other		95,289	-	95,289	867	-	867
Irrecoverable VAT	6	1,453,995	45,877	1,408,118	-	-	-
Total payments		240,961,319	4,272,619	236,688,700	12,164,212	-	12,164,212
Intracompany transfers - FX conversion							
Receipt		167,871,572	-	167,871,572	8,000,000	-	8,000,000
Payment		(5,839,348)	-	(5,839,348)	(245,221,564)	-	(245,221,564)
Total receipts less total payments		10,614,252	(2,149,725)	12,763,977	-	-	-
Cash balances							
HSBC	7, 8	10,614,251	(2,149,725)	12,763,976	-	-	-
Total cash		10,614,251	(2,149,725)	12,763,976	-	-	-

Note: Amounts have been rounded to the nearest £1, which may slightly affect castings

Notes to the receipts and payments account

1. Includes distributions received from subsidiaries either in settlement of creditor balances or by way of a surplus due to the Company in its capacity as shareholder.
2. Funds held on behalf of the Company's subsidiaries.
3. As explained further in Appendix C, the Administrators' fees are based on time costs basis. The receipts and payments account shows the amount paid in the period and total to date.
4. Includes a quarterly recharge currently paid to Lehman Brothers International (Europe) for providing tax services, and LB SF Warehouse costs, benefiting creditors through cost savings from the centralisation of services. Total paid in the period for these related company costs is £55,748 and £1.8m to date.
5. Payments on behalf of subsidiaries include audit fees and professional costs.
6. Due to the nature of the Company's former business, it is not entitled to recover input VAT on its costs.
7. The Company's GBP account is interest bearing. The previously used USD, EUR and SEK accounts have all been closed.
8. Funds have been previously held in different currencies due to the receipts from European investments; they were transferred into the GBP account when appropriate to include in further distributions.
9. The receipts and payments account does not show "estimated to realise" values from the directors' statement of affairs as this would not provide a meaningful comparison with actual asset recoveries.
10. A detailed breakdown of the distributions to creditors paid to date is included in the below table.

Distributions to unsecured creditors	GBP	USD
1st dividend of 12.00p in the £, declared on 29 Oct 2013	(55,372,350)	
2nd dividend of 5.98p in the £, declared on 4 Sep 2014	(27,593,888)	
3rd dividend of 6.94p in the £, declared on 11 Mar 2015	(30,880,299)	
4th dividend of 5.6p in the £, declared on 9 Mar 2016	(24,256,382)	
5th dividend of 1.65p in the £, declared on 9 Sept 2016	(4,006,955)	(4,163,345)
6th dividend of 1.25p in the £, declared on 6 Feb 2017	(5,414,371)	
7th dividend of 6.062p in the £, declared on 11 Sep 2017	(26,256,130)	
8th dividend of 5.710p in the £, declared on 20 Mar 2018	(24,732,273)	
9th dividend of 1.530p in the £, declared on 14 Sep 2018	(6,626,482)	
10th dividend of 0.9117p in the £, declared on 23 Feb 2021	(3,948,989)	
11th dividend of 0.4843p in the £, declared on 16 Sep 2021	(2,082,756)	-
12th dividend of 0.9189p in the £, declared on 8 Mar 2024	(3,952,496)	
Total distributions	(215,123,371)	(4,163,345)

Appendix B: Expenses

Expenses are amounts properly payable by the Administrators from the estate. They include the Administrators' fees but exclude distributions to creditors.

Expenses also include disbursements which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment. Expenses fall into two categories:

Expense	SIP9 definition
Category 1	Payments to persons providing the service to which the expense relates who are not an associate of the office holder.
Category 2	Payments to the Administrators' firm or their associates, or which have an element of shared costs (for example, photocopying and mileage disbursements, or costs shared between different insolvent estates).

Approval from creditors is not required to draw Category 1 expenses as these have all been provided by third parties, but approval is required to draw Category 2 expenses. The body of creditors who approve the Administrators' fees (in this case the general body of creditors) also have the responsibility for agreeing the policies for payment of Category 2 expenses.

The rate for services provided by the Administrators' own firm (Category 2 expenses) may periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. All other disbursements to be charged at cost.

The following table provides a breakdown of the Category 2 expenses incurred in the Reporting Period, together with details of the Category 1 expenses that have been incurred as disbursements by PwC and will be recharged to the case.

Category	Provided by	Basis of cost	Costs incurred £
1	PwC	Postage	37.09
2	PwC	IT services - Internal specialists used to update and maintain the ESH website	42.00
2	PwC	Printing - at 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying	nil
2	PwC	Mileage - petrol / diesel / hybrid - 64 pence per mile (up to 2,000cc) or 80 pence per mile (over 2,000cc); full electric - 72 pence per mile; bicycle - 12 pence per mile	nil
Total			79.09

The expense policy set out above has been approved by the general body of creditors.

Payments to associates and subcontracted work

Certain centralised services are undertaken on behalf of the Company by employees retained by LBIE and LB SF Warehouse Limited for their prior and ongoing knowledge of the Company's affairs. Included in these services are the provision of certain tax and VAT services.

The benefit to the Company's creditors is through cost savings. This is because the Administrators consider it more efficient that this work is carried out by subcontractors and by the centralisation of services. The costs of such services are recharged to the Company on a time costs basis and are invoiced directly to the estate.

During the Reporting Period £55,748 was paid to these two companies after review to ensure the costs were appropriate.

Analysis of Administrators' expenses

The table below provides details of all the expenses incurred in the administration (stated in GBP). It should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the Reporting Period and the total paid to date.

The table excludes any potential tax liabilities that may need to be paid as an administration expense because amounts becoming due will depend on the position at the end of the tax accounting period.

R&P Category	Incurred in Reporting Period (£000s)	Estimated future (£000s)	Estimated total (£000s)
Joint Administrators' remuneration & expenses	127	973	6,585
Legal, professional and consultancy fees	0	401	2,730
Employee wages and associated costs	56	169	2,047
Insurance	0	0	381
Statutory costs	0	33	150
Other costs	0	0	95
Irrecoverable VAT	25	281	1,988
Total	208	1,857	13,976

Notes to the expenses table

1. Amounts have been rounded to the nearest £1k, which may slightly affect castings.
2. Estimated future costs are dependent on the outcomes of various outstanding issues noted earlier in this report and therefore are provided as a guide only.

Legal and other professional firms

The Administrators have instructed the following professionals on this case:

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal services in relation to the extension of the administration	Linklaters LLP	Specialist knowledge and experience	Time cost basis
Legal advice regarding claims and distributions	Squire Patton Bogg (UK) LLP	Specialist knowledge and experience	Time cost basis

The selection of individual legal firms is determined by the jurisdiction and nature of the advice being sought, and whether conflicts exist.

All professional firms instructed by the Administrators are required to provide a narrative explanation in support of invoices. All invoices are reviewed before being approved for payment. The Administrators are satisfied that the level of legal costs is appropriate.

Appendix C: Remuneration update

The Administrators' fees were approved by creditors by reference to time properly given by the Administrators and their staff in attending to matters arising in the administration. To 8 June 2024 the Administrators have drawn fees of £5,444,426 in line with the approval given, as shown on the receipts and payments account. During the Reporting Period, the Administrators drew fees of £218,400 on account of their time costs.

The time cost charges incurred in the Reporting Period are £124,987. An analysis of the total hours and cost incurred by grade of staff can be found later in this appendix.

Also set out later in this appendix are details of the work undertaken to date and anticipated future work.

Time charging policy and hourly rates

The Administrators and their team charge time for the work they need to do in the administration. Tasks are delegated to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed, and the Administrators supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by senior staff or the Administrators.

All PwC staff who work on the administration (including the Firm's cashiers, support and secretarial staff) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. Work carried out by cashiers, support and secretarial staff is charged for separately and isn't included in the hourly rates charged by partners or other staff members.

Time is charged in six minute units. The minimum time chargeable is three minutes (i.e. 0.05 units). The Administrators do not charge general or overhead costs.

Set out below are the maximum charge-out rates per hour for the grades of PwC staff who worked on the administration during the Reporting Period.

Grade	Restructuring, Insolvency & Forensics (£)	Tax, Legal, Data & Technologists (£)
Partner	1,060	1,385
Director	975	1,310
Senior Manager	775	1,060
Manager	625	775
Senior associate*	510	570
Associate and support staff*	320	315

*inc. Offshore Professionals

Relationships

The Administrators have no business or personal relationships with the parties who approve their fees or who provide services to the administration where the relationship could give rise to a conflict of interest.

Analysis of Administrators' time costs for the Reporting Period

Classification of work	Partner/Director		Senior Manager/ Manager		Senior Associate *		Associate / Support Staff *		Total	
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£
Accounting & Treasury	1.20	1,177	2.95	1,910	16.25	8,288	7.95	2,474	28.35	13,848
Creditors & Distributions	2.40	2,304	3.20	2,270	11.25	5,738	0.60	192	17.45	10,504
Statutory & Compliance	3.80	3,673	7.80	5,880	27.90	14,229	12.20	3,904	51.70	27,686
Strategy & Planning	29.30	28,142	27.55	20,429	10.55	5,381	0.20	64	67.60	54,015
Tax & VAT	2.70	3,570	19.05	15,263	0.20	102	-	-	21.95	18,935
Total for 6 months ended 8 June 2024	39.40	38,865	60.55	45,752	66.15	33,737	20.95	6,634	187.05	124,987
Average hourly rate for the 6 month period to 8 June 2024										668
Brought forward total to 8 December 2023 ¹										5,476,932
Cumulative total to 8 June 2024										5,601,919

* includes offshore professionals

Cumulative total to 8 June 2024, by classification of work	£
Accounting & Treasury	846,200
Creditors & Distributions	180,986
Statutory & Compliance	1,208,174
Strategy & Planning	2,485,695
Tax & VAT	880,866
Total ²	5,601,919

Notes:

1. Final invoiced values for the prior period ending 8 December 2023 was £530 higher for partner time spent in relation to accounting & treasury than previously reported following post period reviews and adjustments.
2. Hours and costs have been rounded up or down, to the nearest 0.1 hour or whole pound which may result in rounding differences in the casting of the tables above.
3. The layout of the above tables has been amended since the last report with the purpose being greater consistency across closely related parts of the Lehman Brothers group.

Work undertaken in the Reporting Period

Included earlier in this section is an analysis of the time spent by the various grades of staff. Whilst this is not an exhaustive list, in the following table more detail is provided on the key areas of work.

Category	Description of tasks
<p>Accounting & Treasury</p> <p>This is an essential function for the management of funds held by the Administrators on behalf of the Company. The Administrators' treasury and cash management teams monitor and control the movement of funds, mitigate risk and seek to maximise the interest made on investments for the benefit of the Company's creditors.</p>	<ul style="list-style-type: none"> • Provision of information for the purposes of statutory reporting; • Arrangement of receipts and payments of funds and coding of movements; • Monitoring flow of funds into the bank accounts; and • Reconciling bank accounts.
<p>Creditors & Distributions</p> <p>This relates to tasks undertaken in relation to creditors, including the calculation and payment of distributions and responding to inbound creditor queries received.</p>	<ul style="list-style-type: none"> • Review and updating of estimated outcomes and determine the viability and quantum of a distribution; • Calculation and preparation for the 12th interim distribution including publishing a notice of intended distribution and updating the Company's website; and • Processing, performing sanctions checks and making payments to admitted unsecured creditors.
<p>Statutory & Compliance</p> <p>This relates to work the Administrators undertake in order to ensure compliance with statutory and regulatory requirements.</p>	<ul style="list-style-type: none"> • Preparing and circulating the Administrators' 30th progress report to creditors; • Generating monthly time cost information in support of the Administrators' remuneration; • Dealing with statutory filings at Companies House and the Court; • Preparing the Administrators' internal six-monthly case reviews in accordance with professional requirements; • Managing and updating communications on ESH's dedicated website, maintaining and managing case files, records and the Company's database; and • Dealing with other ad-hoc compliance and statutory issues.
<p>Strategy & Planning</p> <p>The inherent complexities of the Company's estate mean that the Administrators and their staff continue to invest a significant proportion of their time in the planning and delivery of their strategy for the progression of the Administration, for the ultimate benefit of creditors as a whole.</p>	<ul style="list-style-type: none"> • Consideration of strategy including planning of future distributions to maximise the outcome for ESH's creditors and updating strategy documents; • Discussion with stakeholders in regard to this strategy; • Ongoing review and maintenance of financial information, including updating the estimated outcome statement; • Ongoing review of the remaining assets in subsidiary companies and managing these in order to achieve closure of the subsidiary estates; • Liaising with the LBH administrators with regard to further distributions and Partial Discharge • Regular case team meetings to manage case progression; and • Liaising with specialist internal teams.
<p>Tax & VAT</p> <p>Work reported in this category includes compliance with tax legislation under the Administrators' obligations as proper officers for tax, and planning to ensure the efficient realisation of assets for the benefit of the Company's creditors as a whole.</p>	<ul style="list-style-type: none"> • Reconciliation, preparation and submission of quarterly VAT returns; • Drafting the tax computation and return for 2023; • Compliance with the Administrators' responsibilities under the Senior Accounting Officer legislation; and • Preparation for, attendance and follow up to quarterly internal meetings.

Future work

Examples of work remaining to be done to achieve the purpose of the Administration are shown below. This is not an exhaustive list.

Category	Forecasted cost (£000s)	Description of tasks
Accounting & Treasury	76	<ul style="list-style-type: none"> • Provision of information for the purposes of statutory reporting; • Arrangement of receipts and payments of funds and coding of movements; • Monitoring flow of funds into the bank accounts; • Reconciling and closing bank accounts; and • Facilitating payments to the Company's creditors.
Creditors & Distributions	80	<ul style="list-style-type: none"> • Paying further distributions to creditors; • Responding to creditors enquiries; and • Updating creditor information.
Statutory & Compliance, including closure work	242	<ul style="list-style-type: none"> • Preparing and issuing of further progress reports to creditors; • Six monthly reviews of case progress; • Managing and updating communications on the Company's dedicated website, maintaining and managing case files, records and the Company's database • Statutory filings at Companies House and Court; • Planning and applying for further extensions of the administration as required; and • Preparing for and dealing with closure of the administration and dissolution of the Company.
Strategy & Planning	414	<ul style="list-style-type: none"> • Directing the overall strategy for the Company; • Ongoing reviews and maintenance of financial information, including updating the estimated outcome statement; • Ongoing communications with LBH regarding Partial Discharge; • Ongoing reviews of the remaining assets in subsidiary companies and managing these in order to achieve closure of the subsidiary estates; • Oversight of reporting and accounting, including periodic meetings to monitor progress.
Tax & VAT	161	<ul style="list-style-type: none"> • Preparation and submission of corporation tax computations and returns; • Consideration of impact on the Company of changes to UK tax legislation, including loss restriction and interest deductibility rules, and the potential impact as part of the corporation tax returns; and • Compliance with various reporting obligations including tax strategy and corporate criminal offence legislation.

Whilst an estimate of future time costs is provided in the table above, the Administrators caution that actual future costs will be considerably impacted by, among other matters, asset realisations from LBH and remaining subsidiary investments. The estimate provided assumes that this will result in the administration lasting until 30 November 2025; however, that timeframe may be shortened or lengthened depending on how the above matters are ultimately resolved. Accordingly, the eventual future costs may ultimately be materially different from those provided in the estimate.

Appendix D: Other information

Court details for the administration:	High Court of Justice, Chancery Division, Companies Court - Court Case 11056 of 2008
Company's registered name:	Eldon Street Holdings Limited
Trading name:	Eldon Street Holdings Limited
Registered number:	04108165
Registered address:	7 More London Riverside, London, SE1 2RT, United Kingdom
Date of the administration appointment:	9 December 2008
Joint Administrators' names, addresses and contact details:	GE Bruce, DJ Kelly and EJ Macnamara of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT Email: uk_lehmanaffiliates@pwc.com
Changes in Administrator:	<p>On 9 December 2008 Anthony Victor Lomas, Derek Anthony Howell and Dan Yoram Schwarzman were appointed Joint Administrators</p> <p>On 30 November 2009 Steven Anthony Pearson and Michael John Andrew Jervis were appointed as additional Joint Administrators</p> <p>On 22 March 2013 Gillian Eleanor Bruce and Julian Guy Parr replaced Dan Yoram Schwarzman and Michael John Andrew Jervis as Joint Administrators</p> <p>On 26 July 2018 Edward John Macnamara and Russell Downs replaced Anthony Victor Lomas, Steven Anthony Pearson and Julian Guy Parr as Joint Administrators</p> <p>On 30 November 2021 David James Kelly replaced Russell Downs and Derek Anthony Howell as Joint Administrator</p>
Extensions to the initial period of appointment:	The High Court of Justice has granted eight extensions to the Administration period, to: 30 November 2010; 30 November 2011; 30 November 2013; 30 November 2015; 30 November 2018; 30 November 2020; 30 November 2022; and 30 November 2025.
